

TENNESSEE FOREST PRODUCTS BULLETIN



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Prepared Quarterly By: Tennessee Department of Agriculture-Division of Forestry, P.O. Box 40627, Nashville, TN 37204

Phone: 615/837-5430, Fax: 615/837-5003

<http://tn.gov/agriculture/forestry>

***A CONDENSED REPORT ON FOREST PRODUCTS, PRICES, SPECIFICATIONS,
EQUIPMENT, UTILIZATION NEWS, ETC.***

MARKET REPORT

Just when you thought it might be the bottom !! It is not and the hardwood lumber market has continued to get worse. The election is over and now the new administration in Washington as well as Tennessee has a tremendous challenge ahead; hopefully they will get things headed in the right direction. As my mom would say, "time will tell". Some good news, fuel prices have certainly fallen, but unfortunately is probably a temporary situation with the fall related to the world's temporary decreased demand.

The export markets are off approximately 15 percent even though some countries are doing OK. The US housing starts continue to be down about a third from a year ago and there is not much hope of a change in the near term. The financial uncertainty, slowing retail sales and general slowing of the economy has everyone concerned about the future. Under those conditions most people will be very reluctant to buy a new house or do any major remodeling of their existing home. The "confidence" factor will have to improve significantly before there is much turn around in hardwood lumber sales for furniture, cabinets, flooring, millwork and all the other uses for our quality hardwood lumber.

Mills are struggling to pay variable costs just to keep workers and loggers going until there is improvement. Some have had to finally lower log prices to get costs more in line with falling lumber prices. Ties are one of the few bright spots, with some tie buyers raising the price again to meet competition. Many mills that have been cutting ties may now find it difficult to sell their side cut lumber because the flooring and lower grade markets are full of inventory and with their dismal sales it will affect the green mill's ability to continue cutting ties. Most species have suffered in the slowdown and there doesn't seem to be any bright spots even white oak, hard maple, cherry or walnut. All off and forget about red oak !! Guess we shouldn't say that, but it sure doesn't look good for our most abundant specie for now. The pulpwood markets have been strong but there appears to be some weakening with some of the pulp and paper mills scheduling downtime over the holidays. Inventory levels seem to be in line for this time of the year, when most are trying to build inventory for the winter.

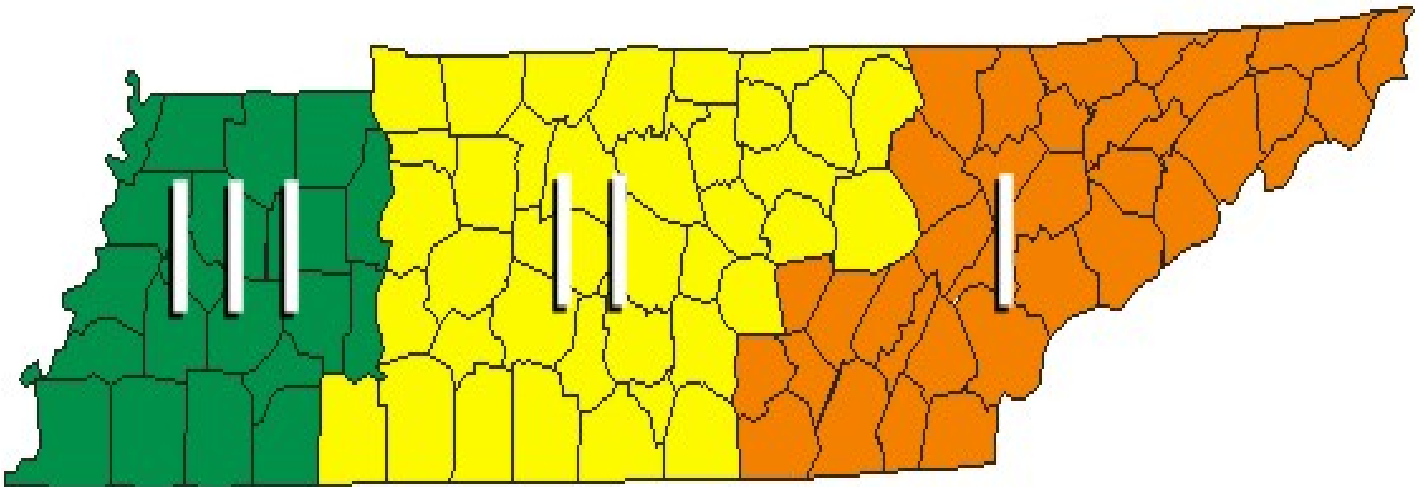
Even though times are tough, we can still be thankful for all we have in this great country of ours. Our freedoms, family and friends are a few of the very positive things to be thinking about this Thanksgiving and holiday season.

DELIVERED FOREST PRODUCT PRICES

<u>PRODUCT</u>	<u>SPECIFICATIONS</u>	<u>PRICES</u>	<u>REGION</u>
Cedar Logs	Length-6' to 12' and min DIB 4" at small end	\$70.00-/ton (also \$370/MBF Cedar 2/3 Rule) Market poor.	Region II
Crossties	7" X 9" X 8' 6" 7" X 8" X 8' 6" 6" X 8" X 8' 6"	<div style="display: flex; justify-content: space-around;"> <div> <u>Oak</u> Grade 5: \$24+ Grade 4: \$17.50 Grade 3: \$13 Market very good. </div> <div> <u>Mixed Hdwd</u> \$24+ \$17.50 \$13 </div> </div>	Region I, II, & III
Hickory Handle Logs	Min length 10' and min DIB 9" at small end	Grade 1: \$475/MBF Doyle Grade 2: \$425/MBF Doyle Grade 3: \$350/MBF Doyle	Region I, II, & III
White Oak Stave Logs	White Oak-Length: 8 1/2" and add on 2' increments (allow 1 knot per 3' of length", and min. DIB 12" at small end	Grade 1: \$750/MBF Doyle Grade 2: \$600/MBF Doyle Grade 3: \$500/MBF Doyle	Region I, II, & III
Paulownia Logs	Min. length 8' and Min. DIB 8" at small end (Must be slow grown – prefer 8-10 growth rings per inch) season Oct to April	\$1,000.00 to \$3,000.00/MBF Doyle (Depending on grade) Only buying good logs. Market very poor.	Region I, II, & III
NOTE: Information is taken from a survey of randomly selected wood-using industries in Tennessee.	Specifications vary with industries	All prices are regional averages and are delivered prices per MBF Doyle unless otherwise indicated. They are subject to change and will vary locally. ("+" indicates an increase since our last bulletin; "-" indicates a decrease).	Region I-East Tennessee; Region II-Middle Tennessee; Region III-West Tennessee (See map on page 4)

Delivered Forest Products Prices (cont)

Pine Pulpwood	Pine: Diameter, length, and species may vary with purchasing company. Consult firm first before cutting	\$23.50-/ton or \$62.86/cord \$27/ton or \$72.23/cord (5350 lbs./ cord) (Gatewood Price)	Region I Region II & III
Hardwood Pulpwood	Hardwood: Diameter, length, and species may vary with purchasing company. Consult firm first before cutting	\$26-/ton or \$75.40/cord \$27/ton or \$78.30/cord (5800 lbs. cord) (Gatewood Price)	Region I Region II & III
Softwood Logs	Length: 8'-16' and min DIB 6" at small end	SY Pine: \$210/MBF Doyle White Pine: \$225-/MBF Doyle Hemlock: \$210/MBF Doyle SYPine CNS: \$25/ton SYPine Sawlog: \$35/ton	Region I & II Region II & III (TN locations)
Veneer Logs	Prime logs only (specifications vary with buyer). Season: Oct to April	Red Oak: \$700-\$1,000/MBF Doyle White Oak: \$1,000-\$2,000/MBF Doyle Walnut and Cherry: \$1,000-\$3,000/MBF Doyle	Region I, II, & III



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Product: Hardwood Sawlogs

Specifications: (Length: 8'-16'; and Min. DIB 8 " at small end) Delivered Prices

SPECIES	REGION I	REGION II	REGION III
Red Oak	Grade 1: \$665- Grade 2: \$415 Grade 3: \$230-	Grade 1: \$620- Grade 2: \$385+ Grade 3: \$235+	Grade 1: \$590+ Grade 2: \$385 Grade 3: \$275
White Oak	Grade 1: \$900- Grade 2: \$525 Grade 3: \$255	Grade 1: \$890- Grade 2: \$465- Grade 3: \$250	Grade 1: \$1065+ Grade 2: \$450- Grade 3: \$270
Ash	Grade 1: \$415 Grade 2: \$270- Grade 3: \$160-	Grade 1: \$405- Grade 2: \$320 Grade 3: \$190-	Grade 1: \$400- Grade 2: \$285- Grade 3: \$200
Yellow Poplar	Grade 1: \$385- Grade 2: \$250- Grade 3: \$155	Grade 1: \$390- Grade 2: \$255- Grade 3: \$175-	Grade 1: \$390+ Grade 2: \$255 Grade 3: \$190
Walnut	Grade 1: \$890- Grade 2: \$525+ Grade 3: \$255	Grade 1: \$1510+ Grade 2: \$640 Grade 3: \$360+	Grade 1: \$1700+ Grade 2: \$585+ Grade 3: \$245
Cherry	Grade 1: \$1010 Grade 2: \$495+ Grade 3: \$235+	Grade 1: \$975- Grade 2: \$460+ Grade 3: \$225-	Grade 1: \$875 Grade 2: \$442 Grade 3: \$255
Hard Maple	Grade 1: \$760- Grade 2: \$385+ Grade 3: \$210	Grade 1: \$750 Grade 2: \$390 Grade 3: \$210	Grade 1: \$ 0* Grade 2: \$322 Grade 3: \$230
Hickory	Grade 1: \$325 Grade 2: \$260+ Grade 3: \$165	Grade 1: \$365- Grade 2: \$250- Grade 3: \$170-	Grade 1: \$ 0* Grade 2: \$280 Grade 3: \$205
Miscellaneous Hardwoods	Average: \$145-	Average: \$170-	Average: \$180

****Note:** Prices quoted are per thousand board feet (MBF) Doyle Rule delivered to mill.

*Not enough data.

TFA News and Calendar of Events for November & December, 2008

Nov. 25	Tree Farm Inspector Training	UT Research Center Jackson, TN
December 2	Master Logger 5 day Business & Graduation	PCA Training Center Counce, TN
December 3	Master Logger CE Stream Crossings	PCA Training Center Counce, TN
December 3 & 4	Tree Farm Committee Retreat	Cedars of Lebanon State Park
December 10	TFA Board of Directors Meeting	Cumberland Mtn. State Park/Crossville, TN

Wednesday, December 10

Location: Crossville, Cumberland Mountain State Park
Social Hour: 5:00 p.m (CST)
Dinner: 6:00 p.m. (CST)
Program: "Cumberland Plateau Landowner Study"
Kevin Hoyt, Huber Engineered Woods
Registration: \$15.00 payable at the door

Thursday, December 11

Location: Knoxville, Ye Old Steak House
Social Time: 5:30 p.m. (EST)
Dinner: 6:00 p.m. (EST)
Program: "Logger & Landowner Cost-Share Programs"
John Kirksey, TDA/TDF

Master Logger CE will be held in S. Pittsburg in December, Date & Topic TBA
Master Logger CE will be held in Calhoun in January, 09, Date & Topic TBA

For more information on any of these events or activities, please contact TFA.

New Look for the Tennessee Division of Forestry Website

Check out the new look at the Tennessee Division of Forestry website. The website is easy to navigate and includes important and timely information for both industry and landowners. The website can be accessed at www.state.tn.us/agriculture/forestry.

Changes in DC and Nashville

All of our TFA members are aware that there will be major changes in both Washington and on Tennessee's Capitol Hill in January. TFA will closely monitor changes on the federal as well as state level. TFA staff will keep our members aware as situations and issues develop that need our attention. As leadership positions are announced and committees assigned in January, we will advise our members so we can make sure our voices are heard on the Beltway as well as in the Halls of the General Assembly.

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